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CALIFORNIA AAA ORGANIZATION AND ACTIVITIES

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In view of the fact that the AAA organization is performing entirely different functions than in peacetime, and that many inquiries are received relative to the nature of and manner in which such functions are administered, the California State AAA Committee believes it desirable to present a summary outlining the organization and its activities in California.

Organization of County AAA Committees

The most significant fact about the County AAA Offices is that they are ADMINISTERED BY ELECTED COMMITTEES OF FARMERS. These committees operate with a high degree of authority and autonomy in order to decentralize as far as possible the responsibilities and authority of the organization.

In each community, election meetings of farmers are called each fall at which a community committee and a delegate are elected. The delegates from the various communities meet together to select the County Committee of 5 farmers to serve for the coming year. The County Committee in turn selects a secretary and a treasurer. There are as many as 14 communities in one county. In a number of the smaller counties, particularly the mountain counties, there is only one community committee, and the community committee elected by the farmers automatically becomes the County Committee.

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It has been the policy of the National AAA Organization and of the State AAA Committee to further in every way possible the authority and responsibility of County Committees--to make them the real administrative and responsible head of the organization in the county. The State Committee has encouraged County Committees to accept this responsibility and not to function as figureheads or delegate their authority to the County Secretary. We have felt that the principle of farmer administration of farm programs is sound--that farmer committees will have a better understanding of the problems and difficulties of farmers in the county than a hired official no matter how capable. We believe this policy has proved successful in California. The State Committee believes this is the really significant thing in the AAA Organization. Programs and activities change from time to time - there may be a great deal of disagreement as to the need for and desirability of certain programs - but we feel there should be little disagreement with the policy that to the maximum extent feasible, farm programs should be administered by farmers.

It has further been the policy of the State Committee to encourage the use of community committees in the administration of the various programs. Although the activities performed do not always lend themselves to community committee action, the use of community committees is gradually being increased, and it is our general policy to encourage this trend towards further decentralization on a local community basis.

County Committees have been elected in all of the 50 counties in California with the single exception of San Francisco County. These 57 County Committees are serviced by 47 County Offices. The number of County Offices is smaller than the number of County Committees because in a number of the smaller counties one office may serve for 2 or more County Committees.

In carrying out the various activities assigned to AAA, various subcommittees composed mostly of farmers have been set up by County AAA Committees. The most important of these subcommittees are the County Farm Transportation Committee, the County Farm Rationing Committee, and the County Feed Committee. This wide participation of farmers in managing the programs affecting farmers should contribute materially to the development of farm leadership which is so necessary a part in solving rural problems of war and peace.

State AAA Committee

The State AAA Committee consists of 4 farmers appointed by the Secretary of Agriculture, plus the Director of the California Extension Service serving as an ex-officio member. All of the present State Committeemen have previously served on County AAA Committees.

The office of the State AAA Committee is located in Berkeley, California, at Fulton and Bancroft Streets, adjacent to the campus of the University of California. The State Committee is assisted in carrying out its responsibilities by an organization of varying size, depending upon current activities, but averaging between 80 and 100 employees. At the present time the operating staff consists of an Executive Assistant, an Administrative Assistant, 7 District Fieldmen, responsible for coordinating the activities of a group of County Committees and instructing County Office employees in their duties, 8 Specialists assigned to the administration of various activities, and 3 Sections - Economic, Fiscal, and Administrative.

The authority of the State Committee over the activities of the County Committees is limited, more as a matter of policy than by any regulation or legislation. The State Committee, of course, does have final authority in many fields, but depends primarily upon County Committee recommendations in the exercise of such authority. The State Committee does retain the right to approve or disapprove the appointment of County Secretaries, but since 1936 has exercised this authority in only 3 instances. The State Committee further has the authority to remove from office any County Committeemen whom it deems incompetent or dishonest, but has exercised this authority in only one case since 1936, (when the State Committee plan in its present form was established).

In the administration of its various programs and activities, the State Committee is relatively autonomous and authorized to make decisions covering a wide field without reference to Washington. We must, of course, look to Washington for general policy and procedure and for such regulations as may be necessary to provide reasonable uniformity among the various states. The State Committee feels that this decentralization of authority is desirable and leads to more expeditious and intelligent action. It is believed that even further decentralization of the authority is necessary and consistent with the most efficient operation of Government farm programs.

The State AAA Committee is assisted in its activities by a number of advisory committees, most of which are also advisory committees of the State USDA War Board. These advisory committees are composed of representatives of agricultural organizations, trade interests, and State and Federal agencies. The more important of these advisory committees

are the Farm Machinery Advisory Committee, the State Feed Advisory Committee, the Meat and Livestock Advisory Committee, the Dairy Advisory Committee, the Truck Allocations Advisory Committee, and the State Fertilizer Advisory Committee.

Activities of State and County AAA Committees

The duties and responsibilities assigned to AAA are constantly shifting in accordance with changing economic conditions and the determinations of Congress. These changes occur rapidly under present circumstances. For the present, however, and for at least some months in the future, the duties and responsibilities of AAA will include the following:

Production Goals. Each year the Department of Agriculture establishes national and state production goals for important crops and livestock products. These goals are to indicate the adjustments and levels of production needed for the war effort. From time to time various price support programs and other programs are announced to assist attainment of the goals. It is the responsibility of AAA to carry this story to individual farmers, to promote by whatever means are feasible, the attainment of these goals, and to explain to farmers the activities planned by the Department to assist them in reaching such goals. This responsibility is shared with the Agricultural Extension Service which has been assigned responsibility by the War Food Administrator for the general educational activity of the Department.

Rationing of Farm Machinery. The needs of the military forces have necessitated smaller production of agricultural equipment. Even if it has been possible to maintain production of farm equipment at the same level as in pre-war years, the supply of agricultural equipment would have fallen far short of the demand. This is due to a number of causes, principal among which are:

1. The high cost of farm labor and the shortage of farm labor which puts a premium on labor saving equipment, and
2. The fact that farmers are financially able at the present time to purchase the equipment they would like to have.

In order that the limited amounts of farm machinery may be placed where it will do the most good in terms of production for the war effort, all important items of farm machinery are rationed by County AAA Committees. Many important items of equipment are set up on a State and county quota basis so that the responsibility of the County Committee is to allocate a specified number of machines on the basis of comparable need and contribution to the war effort. For many other but less important items of farm machinery, no State or county quotas are set up, but the equipment is obtainable only on the basis of a purchase certificate issued by the County AAA Committee, which certificate is an evidence of real need of the equipment, not just a desire to own it. Due to the competition of the military forces for crawler tractors, this has been by far the most critical item of farm machinery, and a special rationing procedure has been set up to distribute the very limited number available to agriculture.

Rationing of Farm Gasoline. The ODT issues (and corrects where necessary) Certificates of War Necessity for each civilian truck or fleet of trucks, including farm trucks. These Certificates of War Necessity show the amount of gasoline to be allowed the truck for each quarter. Although ODT retains the final authority in approving gasoline allowances on Certificates of War Necessity, so far as farm trucks are concerned, ODT relies primarily upon the recommendations of County Farm Transportation Committees, which are sub-committees of the County AAA Committees. These County Farm Transportation Committees are responsible for reviewing Certificates of War Necessity, for reviewing applications of farmers for more gasoline for their trucks and to make recommendations relative thereto to the ODT. With respect to gasoline for "on-farm" use, these committees make similar recommendations to local OPA boards. We believe that the County Farm Transportation Committees have done an outstanding service in distributing limited amounts of gasoline on the basis of comparative need and equity and in the interests of maximum production and transportation of farm commodities. Despite the reduction in supplies of gasoline available for civilian use, there have been few (although some) cases where farm production has been hindered by insufficient gasoline. This problem is, however, becoming of increasing concern as the military requirements increase and the continued review of Certificates of War Necessity by County Farm Transportation Committees is going to be necessary in order to obtain the most intelligent and effective utilization of limited supplies.

Agricultural Construction. Due to limitations on manpower and materials--all construction, above specified cost value, including agricultural construction, must be approved by the WPB. In the case of agricultural construction, however, approval by State and County AAA Committees is required by WPB. A rather careful screening of applications has been done with the result that the WPB has confidence in our recommendations and practically all of such recommendations are approved.

Power Installations. Agricultural electric power installations fall into two major classes. Those installations which meet certain requirements specified by applicable WPB orders may be approved by County AAA Committees without further reference to any other agency. All other types of agricultural power installations are approved by WPB. Here again, however, the application originates in the County AAA Office and must bear the approval of State AAA and County AAA Committees to obtain WPB approval. A sufficiently careful job of screening has been accomplished that recommendations to the WPB are approved with only rare exceptions.

Rationing of Farm Supplies. Many items of farm supplies are so limited that rationing is necessary in order to obtain most effective utilization and equity among farmers. This activity has been assigned to County AAA Committees. The types of materials which are rationed vary from time to time depending upon current supply conditions. At present County AAA Committees are rationing the following items:

Copper Wire - Limited amounts of copper wire may be purchased by any farmer from his customary dealer. If he requires more than specified amounts; however, he must obtain a purchase certificate from the County AAA Committee. County quotas for copper wire have been established, and the County AAA Committee may not issue certificates for more wire than is provided for under their quota.

Farm Engines under 20 H.P. So far these are not limited by quota, but are rationed by County AAA Committees.

Softwood Lumber - Most softwood lumber is distributed on the basis of automatic priority ratings for certain uses. However, in order to take care of the most urgent situations, county quotas on lumber are established which are allocated by County AAA Committees. To the extent of their county quotas, County AAA Committees may issue certificates which bear a priority rating of AA-2 for softwood lumber. This priority rating is superior to that issued for practically any other purpose with the exception of military supplies.

Most Other Farm Supplies - Issued under Regulation PR-19, which provides that a farmer may get limited amounts on his own certification, but if amounts in excess of certain specified levels are required, a certificate from the County AAA Committee is necessary.

Priority Assistance to Farmers. Farmers in a state such as California, with its diversified and specialized agriculture, require a surprising number of articles, many of which can be obtained only on the basis of a priority rating issued by the WPB. The County AAA Offices act as a sort of service organization in this connection. (Scarcity of WPB field offices emphasizes necessity for local sources of information.) Although we are unable to keep County AAA Offices adequately informed on all of the various WPB orders, we do attempt to keep them informed with respect to the more important orders affecting farmers and endeavor to obtain such additional information as may be necessary in special cases. Most applications for priority assistance are filed in County AAA Offices and if, when transmitted to WPB bear the recommendation of the State and County Committees, are almost certain to obtain approval.

Distribution of Feed Stuffs. This is one of the activities assigned to AAA by order of the War Food Administrator. Until recently there was very little activity in this field. Due to the increased severity of feed shortages, however, two activities of importance have been recently undertaken.

For about 2 years the Commodity Credit Corporation has been selling CCC-owned wheat to farmers. In recent months the CCC has been purchasing extensive quantities of wheat in Canada for resale to farmers. This was distributed on the basis of orders placed directly with the Commodity Credit Corporation. As the grain shortage in California became more acute, however, and the volume of orders increased to the point where CCC was about 4 months behind in filling them, it became evident that the chronological order in which orders were placed was not a sound basis for most effective distribution. In order to obtain a more uniform distribution of feed wheat in the State and in order to meet the most urgent needs of farmers, the AAA was given authority to indicate the priority in which orders are to be filled. This has turned out to be quite a job since at the moment wheat is being imported by boat at the rate of 60 to 100 thousand tons per month.

Under the provisions of FPO No. 9, the Director of Food Production has required manufacturers of cottonseed, linseed and soybean meal to set

aside 20% of their production for allocation by State and County AAA Committees. The reason for this is that under conditions of shortage of supplies of protein feeds, the distribution through commercial channels has become uneven as between areas and even between farmers in the same area, with the result that many farmers were able to obtain none or only very limited quantities of protein feeds, whereas others had relatively plentiful supplies. The amount made available under this provision is allocated by the War Food Administration to the various states and allocated by the State and County AAA Committees with the advice and assistance of State and County Feed Committees, in such a manner as to overcome so far as possible this uneven distribution. AAA is not physically handling the material, however, since the oilseed meal is allocated to dealers and mixers who distribute according to the policy set forth by the County Feed Committees.

Allocation of Fertilizers. This is an activity which has been assigned to AAA by the War Food Administration. However, our activity in this connection has been rather limited. The only exception has been in connection with superphosphates. Local production of superphosphate in California has not been adequate to meet the demands with the result that shipment from Eastern areas under Government contract has been resorted to. This material is shipped to County AAA Associations which contract for its distribution locally by fertilizer dealers in the county. Some 21,500 tons of superphosphate have been brought into California so far under this arrangement.

Agricultural Conservation Program. This is the basic AAA program to which in normal times most of our energies were devoted. This program, coordinated with the loan and marketing quota activities provided by the Agricultural Adjustment Act of 1938, provided the mechanics whereby production of basic agricultural commodities, wheat, cotton, corn, rice, tobacco, and peanuts could be adjusted to the point where production would be reasonably consistent with demand plus a normal carry-over. At the present time these control programs are not in operation. It is possible that after the war problems of surpluses or poor distribution and inadequate prices will again require attention.

The conservation phases of this program, however, are in full operation. Our conservation activities have not been changed a great deal by the war situation except that the soil building practices have been revised and streamlined to furnish the maximum contribution to production of crops. The State Committee believes this activity is well justified, in war time as in peace time. Conservation farming pays dividends in increased production. One of the important contributing reasons for record levels of farm production in the past four years has been that farmers are today using better methods of handling their land; devoting more attention to the prevention of erosion and soil depletion than ever before.

Loan Programs. Under the provisions of the Agricultural Adjustment Act of 1938 and supplemental appropriation acts, loans are made available to producers of commodities such as cotton, wheat, corn, rice, barley, flax, rye, beans, potatoes, etc. At the present time there is very limited need for these programs and each is largely inoperative with the exception of the cotton and bean loan programs.

Crop Insurance Programs. The Crop Insurance Act and amendments thereto

provide for crop insurance programs on wheat and cotton. These have been the responsibility of the State and County AAA Committees. In the last appropriation act no funds were made available for the continuation of these programs. It is commonly believed that funds will be made available for crop insurance programs in subsequent years, but this, of course, is not certain.

Sugar Act Program. The purpose of the Sugar Act Program is to provide a more equitable division of the returns of the industry between labor, farmers, and processors, and to establish quotas for national production and importation. With the exception of 2 years in 1939 and 1941, this program has not involved restrictive production. This program need not be described in full herein, but there is every indication that this program will continue in operation for the indefinite future.

Dairy Feed Payment Programs. This program involves the issuance each month to over 23,000 California dairy producers, of payments to compensate for the increased price of feeds purchased by dairymen. This is one of the controversial subsidy programs. The State Committee does not take any position either for or against this program. We are, however, responsible for its administration. It is believed that in no previous case of which we are aware, has a payment program been handled so expeditiously, with a minimum of red tape and regulations, and at such a low cost per payment. The cordial cooperation of creameries and milk distributors has been of great assistance in this connection. Payment is made to producers through direct issuance of sight drafts by County AAA Committees.

Conservation Materials Program. These programs supply farmers with certain materials needed for soil conservation activities which under normal conditions they would not obtain. These programs are not inconsistent with the interests of private industry since it has been the general experience that sponsorship of the use of certain materials for certain demonstrated purposes has greatly increased the sales of private industry for such materials. There have been various programs in operation in recent years, but at the present time there are only two. One of these is the distribution of borax for use in the control of Klamath weed, which has taken over large areas of grazing land in California and made them relatively valueless for the production of range cattle. Borax is supplied by County AAA Committees to farmers for such use. Charges to the farmer for conservation materials received are met by payments he may receive from the performance of soil building practices.

A similar conservation materials program is in operation to stimulate the use of superphosphate on pastures, green manure crops and legume hay crops where its application has demonstrated stimulated production.

Purchase Programs. From time to time in order to stimulate the production of needed commodities a purchase program is offered by the Government through State and County AAA Committees. As an example, Austrian peas from 15,000 acres (100,000 bags) were produced under contract with AAA this year in order to be sure that needs of southern states for green manure crop seed would be met. Their needs were far in excess of normal due to the shortage of nitrogen fertilizers.

Food Distribution Programs. In the administration of programs of the Office of Distribution, (formerly Food Distribution Administration) the Office of Distribution has frequently called on the AAA organization for assistance, since the Office of Distribution maintains no county offices. For example,

one of their orders (FDO-69) prohibits the use of certain fresh fruits for the manufacture of alcohol unless a certificate of release is issued by the County AAA Committee for the particular lot concerned. Releases are granted by County Committees only after it has been determined that the particular lot of fruit has no market outlet other than in alcoholic form. Another example is County AAA Committee assistance in surplus commodity purchases by the Office of Distribution when responses to recommended increases in certain crops resulted in localized overproduction beyond the capacity of local marketing outlets.

County and State USDA War Boards

Even before Pearl Harbor the Secretary of Agriculture established State and County USDA War Boards. In the state the Chairman of the State AAA Committee became Chairman of the State USDA War Board. Each agency of the Department of Agriculture is represented on this State War Board. In addition, the State Director of Agriculture, the State Agricultural Education Department and State farm organizations are represented on the State USDA War Board. A similar organization was set up in each county with the Chairman of each County AAA Committee becoming the Chairman of each County USDA War Board and each agency of the Department operating in the county being represented thereon.

The State and County AAA offices were designated as the offices of the State and County USDA War Boards, and the personnel of AAA offices were made available to carry out the policies and determinations of the War Boards.

Long before Pearl Harbor, the Department began to assign more and more activities to State and County War Boards. State and County War Boards finally became loaded with so many responsibilities that it was felt their continued operation as an administrative agency without any administrative personnel, except that provided by AAA, was impractical. Therefore, a few months ago, the War Food Administrator assigned responsibility for most of the administrative activities heretofore performed by State and County War Boards to State and County AAA Committees. The State and County USDA War Boards have been relieved of most of their administrative responsibilities but still have a number of important functions as outlined below; including the study of local problems and the development of recommendations for local or State action for the alleviation of such problems. In particular one very important administrative activity has been retained by County War Boards. This is in the field of draft deferment of essential agricultural workers. Although the final authority regarding such deferment rests with Draft Boards, in the great majority of cases involving farm operators or agricultural labor they have relied upon the recommendations made by County War Boards. In the handling of this activity individual cases are normally referred by Draft Boards to the County War Boards for consideration. An investigation is made by a representative of the California Agricultural Extension Service. The result of this investigation is reported to the County War Board, which makes the decision as to whether or not the individual is essential to continued agricultural production. County AAA Committees provide the clerical assistance in handling correspondence and filing of material relating to this activity.

Another important function of County USDA War Boards is the review of Government programs of the various agencies, to recommend their continuance,

amendment, or termination. County War Boards are also to analyze local problems, determine appropriate action, and recommend local action or submittal to the State War Board. From time to time County War Boards are asked by the State War Board or the War Food Administrator to submit recommendations or reports on specified matters in order to assist in the determination of proper action.

State Wage Board

The Chairman of the State AAA Committee is the Chairman of the State Wage Board. On a state level the State Wage Board is responsible for the administration of wage stabilization orders. The State AAA Committee furnishes the necessary personnel and facilities. On a county level, this matter is the responsibility of the County USDA War Board.

Wage stabilization orders have been recommended by the State Wage Board for the approval of the War Food Administration only when it is clear that the program is desired by most of the farmers engaged in the production of the crops involved. So far, 4 wage stabilization orders have been approved, as follows:

1. Harvest of Asparagus in Delta Area.
2. Harvest of Raisin Grapes in San Joaquin Valley.
3. Harvest of Cotton in San Joaquin Valley.
4. Harvest of Tomatoes in Northern California.

Present indications are that for the duration of the war there will be a considerable extension in the number and scope of agricultural wage orders. On the whole, these orders have been well received by farmers and farm labor. Enforcement has not been too difficult. It is believed that these orders have helped in the harvest of crops, have kept costs at reasonable levels, and have eliminated much pirating and moving around of farm labor to obtain better returns. The interests of labor have been protected since wages have been set at levels consistent with the returns in industry and other occupations.

A new activity has been assigned to the State Wage Board in recent weeks. All agricultural wages above \$2400 per year have been frozen by national orders. Requests for adjustment of farm wages above \$2400 per year and not to exceed \$5000 per year are to be referred to the State Wage Board for recommendation to the War Food Administration.

Relationship with Farm Organizations

Members of the Farm Bureau, the Grange, California Cattlemen's Association, California Wool Growers Association and many other farmer organizations, serve on the State and County AAA Committees, and subcommittees. The State AAA Committee feels it proper and desirable that members of all of these organizations participate in AAA elections, take part in the administration of our activities and work with us towards the attainment of democratic decentralized management of farm programs by farmer committees.

